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## Financial Report

Livingston Council on Aging  
Denham Springs, Louisiana

June 30, 2000

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Release Date 1-31-01

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Denham Springs, Louisiana

June 30, 2000

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
Livingston Council on Aging  
Denham Springs, Louisiana

I have audited the accompanying general purpose financial statements of the Livingston Council on Aging, Denham Springs, Louisiana, as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Livingston Council on Aging, Denham Springs, Louisiana, as of June 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated September 8, 2000, on my consideration of the Livingston Council on Aging's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Livingston Council on Aging, Denham Springs, Louisiana, taken as a whole. The accompanying schedules 1 through 5, listed in the table of contents as supplementary information, are presented for purposes of additional analysis as required by the Governor's Office of Elderly Affairs and are not a required part of the general purpose financial statements. The accompanying schedule 6, Schedule of Expenditures of Federal Awards, is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*Muri B. Furani, CPA*

Baton Rouge, Louisiana,  
September 8, 2000.



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors,  
Livingston Council on Aging  
Denham Springs, Louisiana

I have audited the general purpose financial statements of the Livingston Council on Aging, Denham Springs, Louisiana, as of and for the year ended June 30, 2000, and have issued my report thereon dated September 8, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Livingston Council on Aging's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, I noted certain immaterial instances of noncompliance, which I have reported to management of the Livingston Council on Aging, Denham Springs, Louisiana, in a separate letter dated September 8, 2000.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Livingston Council on Aging's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial

statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. However, I noted other matters involving the internal control over financial reporting, which I have reported to management of the Livingston Council on Aging, Denham Springs, Louisiana, in a separate letter dated September 8, 2000.

This report is intended solely for the information and use of the Council's board of directors, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

*Neil B. Ferri, CPA*

Baton Rouge, Louisiana,  
September 8, 2000.

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REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB  
CIRCULAR A-133

To the Board of Directors,  
Livingston Council on Aging  
Denham Springs, Louisiana

Compliance

I have audited the compliance of the Livingston Council on Aging, Denham Springs, Louisiana with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. The Livingston Council on Aging's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Livingston Council on Aging's management. My responsibility is to express an opinion on the Livingston Council on Aging's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Livingston Council on Aging's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the Livingston Council on Aging's compliance with those requirements.



In my opinion, the Livingston Council on Aging complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

#### Internal Control Over Compliance

The management of the Livingston Council on Aging is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Livingston Council on Aging's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information and use of the Council's board of directors, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Baton Rouge, Louisiana,  
September 8, 2000.

*Neil B. Farnan, CPA*

## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

Livingston Council on Aging  
Denham Springs, Louisiana

June 30, 2000

With Comparative Totals for the Year Ended June 30, 1999

	Governmental Fund Types		Account Group	Totals (Memorandum Only)	
	General	Special Revenue	General Fixed Assets	2000	1999
<b>ASSETS</b>					
Cash	\$ 31,315	\$ 21,247	\$ 0	\$ 52,562	\$ 52,466
Investments	82,040	0	0	82,040	132,171
Grants and contracts receivable	2,420	25,410	0	27,830	4,043
Accounts receivable	0	0	0	0	2,420
Prepaid expenditures	108,117	0	0	108,117	110,717
Deposits toward vehicle purchases	29,318	0	0	29,318	7,000
Due from Special Revenue funds	18,649	0	0	18,649	3,735
Fixed assets	0	0	261,461	261,461	266,845
<b>Total assets</b>	<b>\$ 271,859</b>	<b>\$ 46,657</b>	<b>\$ 261,461</b>	<b>\$ 579,977</b>	<b>\$ 579,397</b>
<b>LIABILITIES, FUND EQUITY, AND OTHER CREDITS</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,174
Payroll tax withholdings and accruals	0	0	0	0	1,446
Due to General Fund	0	18,649	0	18,649	3,735
Advances from funding agencies	0	12,195	0	12,195	9,544
Deposit escrow-utility assistance	0	100	0	100	100
<b>Total liabilities</b>	<b>0</b>	<b>30,944</b>	<b>0</b>	<b>30,944</b>	<b>16,999</b>
<b>Fund Equity and Other Credits:</b>					
Fund balances:					
Reserved for:					
Prepaid expenditures	108,117	0	0	108,117	110,717
Deposits toward vehicle purchases	29,318	0	0	29,318	7,000
Unreserved - undesignated	134,424	15,713	0	150,137	177,836
Investment in general fixed assets	0	0	261,461	261,461	266,845
<b>Total fund equity and other credits</b>	<b>271,859</b>	<b>15,713</b>	<b>261,461</b>	<b>549,033</b>	<b>562,398</b>
<b>Total liabilities, fund equity and other credits</b>	<b>\$ 271,859</b>	<b>\$ 46,657</b>	<b>\$ 261,461</b>	<b>\$ 579,977</b>	<b>\$ 579,397</b>

The accompanying notes are an integral part of this statement.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES**

**Livingston Council on Aging  
Denham Springs, Louisiana**

**For the year ended June 30, 2000**

**With Comparative Totals for the Year Ended June 30, 1999**

	General	Special Revenue	Totals (Memorandum Only)	
			2000	1999
<b>REVENUES</b>				
Intergovernmental	\$ 21,779	\$ 502,297	\$ 524,076	\$ 468,947
Public Support	5,507	27,418	32,925	39,391
Program Service Fees	29,060	3,958	33,018	33,386
Investment Income	5,337	147	5,484	8,087
Miscellaneous	230	0	230	465
In-kind Contributions	1,326	34,666	35,992	59,428
<b>Total revenues</b>	<b>63,239</b>	<b>568,486</b>	<b>631,725</b>	<b>609,704</b>
<b>EXPENDITURES</b>				
Current:				
Personnel	18,743	218,349	237,092	241,255
Fringe	2,263	24,951	27,214	28,274
Travel	199	2,783	2,982	503
Operating Services	8,443	63,511	71,954	61,876
Operating Supplies	2,644	21,687	24,331	18,187
Other Costs	5,119	27,947	33,066	33,366
Full Service Contracts	0	3,200	3,200	3,200
Meals	0	176,818	176,818	180,406
Capital Outlay	23,079	0	23,079	29,787
Utility Assistance	0	3,978	3,978	6,041
In-kind	1,326	34,666	35,992	59,428
<b>Total expenditures</b>	<b>61,816</b>	<b>577,890</b>	<b>639,706</b>	<b>662,323</b>
<b>Excess of revenues over(under) expenditures</b>	<b>1,423</b>	<b>(9,404)</b>	<b>(7,981)</b>	<b>(52,619)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	2,374	202,894	205,268	196,913
Operating transfers out	(25,481)	(179,787)	(205,268)	(196,913)
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<b>(21,684)</b>	<b>13,703</b>	<b>(7,981)</b>	<b>(52,619)</b>
<b>FUND BALANCES</b>				
Beginning of year	293,543	2,010	295,553	348,172
<b>End of year</b>	<b>\$ 271,859</b>	<b>\$ 15,713</b>	<b>\$ 287,572</b>	<b>\$ 295,553</b>

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND TYPE**

**Livingston Council on Aging  
Denham Springs, Louisiana**

**For the year ended June 30, 2000**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
Intergovernmental	\$ 21,779	\$ 21,779	\$ 0
Public Support	5,200	5,507	307
Program Service Fees	11,513	29,060	17,547
Investment Income	6,000	5,337	(663)
Miscellaneous	0	230	230
In-kind Contributions	1,326	1,326	0
	<hr/>	<hr/>	<hr/>
Total revenues	45,818	63,239	17,421
	<hr/>	<hr/>	<hr/>
<b><u>EXPENDITURES</u></b>			
Current:			
Personnel	9,683	18,743	(9,060)
Fringe	1,215	2,263	(1,048)
Travel	18	199	(181)
Operating Services	2,924	8,443	(5,519)
Operating Supplies	91	2,644	(2,553)
Other Costs	182	5,119	(4,937)
Capital Outlay	24,079	23,079	1,000
In-kind	1,326	1,326	0
	<hr/>	<hr/>	<hr/>
Total expenditures	39,518	61,816	(22,298)
	<hr/>	<hr/>	<hr/>
Excess of revenues over(under) expenditures	6,300	1,423	(4,877)
	<hr/>	<hr/>	<hr/>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Operating transfers in	0	2,374	2,374
Operating transfers out	(38,717)	(25,481)	13,236
	<hr/>	<hr/>	<hr/>
Excess of revenues and other sources over(under) expenditures and other uses	(32,417)	(21,684)	\$ 10,733
	<hr/>	<hr/>	<hr/>
<b><u>FUND BALANCE</u></b>			
Beginning of year	293,543	293,543	
	<hr/>	<hr/>	
End of year	\$ 261,126	\$ 271,859	
	<hr/>	<hr/>	

The accompanying notes are an integral part of this statement.



**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL - SPECIAL REVENUE FUND TYPE**

**Livingston Council on Aging  
Denham Springs, Louisiana**

**For the year ended June 30, 2000**

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>REVENUES</b>			
Intergovernmental	\$ 346,297	\$ 502,297	\$ 156,000
Public Support	174,287	27,418	(146,869)
Program Service Fees	1,200	3,958	2,758
Investment Income	62	147	85
Inkind Contributions	34,666	34,666	0
 Total revenues	 556,512	 568,486	 11,974
<b>EXPENDITURES</b>			
Current:			
Personnel	232,270	218,349	13,921
Fringe	29,145	24,951	4,194
Travel	982	2,783	(1,801)
Operating Services	74,530	63,511	11,019
Operating Supplies	21,102	21,687	(585)
Other Costs	19,883	27,947	(8,064)
Full Service Contracts	3,200	3,200	0
Meals	175,451	176,818	(1,367)
Utility Assistance	4,000	3,978	22
Inkind	34,666	34,666	0
 Total expenditures	 595,229	 577,890	 17,339
 Excess of revenues over(under) expenditures	 (38,717)	 (9,404)	 29,313
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	211,354	202,894	(8,460)
Operating transfers out	(172,637)	(179,787)	(7,150)
 Excess of revenues and other sources over(under) expenditures and other uses	 0	 13,703	 \$ 13,703
<b>FUND BALANCES</b>			
Beginning of year	2,010	2,010	
 End of year	 \$ 2,010	 \$ 15,713	

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Livingston Council on Aging  
Denham Springs, Louisiana

June 30, 2000

Note 1 - Summary of Significant Accounting Policies

a. Purpose of the Council on Aging:

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people in Livingston Parish; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the Parish and State; to conduct public meetings; to make recommendations for needed improvements and additional resources; to promote the welfare of aging people; to coordinate and monitor services of other local agencies; and to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA), and other departments of state and local government serving the elderly.

Specific services provided by the Council to the elderly residents of Livingston Parish include providing meals, nutritional education, case management, information and assistance, outreach, material aid, home repairs, utility assistance, homemakers, recreation, operating senior centers, and transportation.

b. Reporting Entity:

In 1964, the State of Louisiana passed Act 456 which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The Livingston Council on Aging is a non-profit, quasi-public corporation, which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs and the State of Louisiana. Other entities that provide the Council with funds may impose additional compliance requirements.

Note 1 - Summary of Significant Accounting Policies - (continued)

b. Reporting Entity: - (continued)

A board of directors, consisting of 18 voluntary members, who serve three-year terms, governs the Council. The board of directors is comprised of, but not limited to, representatives of the Parish's elderly population, general public, private businesses, and elected public officials. Board members are elected in the following manner:

- ◆ 3 members are selected from the general public to represent all sections of the parish and are drawn from, but not limited to, civic organizations, governmental agencies, business, and religious groups.
- ◆ 15 representatives, who must reside in the districts which they represent, from each of the 9 Parish Council districts, to represent the elderly population in their respective districts.

Membership in the Council is open at all times, without restriction, to all residents of Livingston Parish who have reached the age of majority and who express an interest in the Council and wish to contribute to or share in its programs. Membership fees are not charged.

Based on the criteria set forth in Section 2100 of Governmental Accounting Standards Board's (GASB) *Codification of Government Accounting and Financial Reporting Standards*, the Livingston Council on Aging is not a component unit of another primary government nor does it have any component units which are related to it. Accordingly, the Council has presented its financial statements as a separate special-purpose government because (a) it has a separately elected governing body, (b) it is legally separate, and (c) it is fiscally independent of other state and local governments.

Note 1 -- Summary of Significant Accounting Policies - (continued)

c. Presentation of Statements:

The accompanying financial statements conform to generally accepted accounting principles for state and local governments. These statements have also incorporated any applicable requirements set forth by *Audits of State and Local Governmental Units*, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VIII - Annual Financial Reporting, accounting manual for the Governor's Office of Elderly Affairs Contractors; and, the *Louisiana Governmental Audit Guide*.

d. Fund Accounting:

The Council uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

The accounts of the Council are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in these financial statements into two generic fund types and one broad fund category (account group).

Governmental funds are used to account for all or most of the Council's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of fixed assets, and the servicing of general long-term debt.



Note 1 -- Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: - (continued)

The governmental funds and the programs comprising them as presented in the financial statements are described as follows:

♦ General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund.

The following programs comprise the Council's General Fund:

Local

Revenues, such as, donations from the general public, investment income earned on unrestricted fund balances, and net proceeds from the sale of fixed assets are recorded in the local program of the General Fund. Expenditures which are not chargeable to specific programs because of budget limitations, or because of their nature, are recorded as local program expenditures.

Local funds are also used as transfers to other programs in cases where expenditures exceed revenues. In addition, capital outlay expenditures are usually paid for with local funds.

PCOA

PCOA funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs(GOEA). The Council may use these "Act 735" funds at its discretion provided the program is benefitting people who are at least 60 years old. In fiscal year 2000, the Council transferred most of its PCOA funds to the Title III B Fund to provide additional funds to pay for program expenditures.

Note 1 -- Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: - (continued)

◆ General Fund - (continued)

Transportation

The Transportation program of the General Fund accounts for revenues earned under a contract with the Office of Family Support(OFS) and the expenses incurred to produce those revenues. This program provides transportation services to people who need a ride to and from a training facility. During the fiscal year, the Council provided 1,351 trips to the 52 people who participated in this program.

This program also accounts for revenues and expenditures relating to transporting people who are not eligible for transportation services under the OFS program or the Title III B program.

◆ Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services - Administration on Aging to the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: (continued)

♦ Special Revenue Funds - (continued)

The following funds comprise the Council's Special Revenue Funds:

Section 5311 Fund

These funds are provided under the U.S. Department of Transportation's Public Transportation for Nonurbanized Areas - Section 5311 Program. The Louisiana Department of Transportation and Development (DOTD) receives these funds for the State of Louisiana and passes them through to the Council via the Livingston Parish Council (LPC). Funds earned and received by the Council are based on actual operating costs of providing transportation services to rural residents within Livingston Parish. As part of calculating the operating costs of this program, the Council may apportion some of the in-kind contributions it receives as allowable transportation expenses. This provision results in the Council receiving cash reimbursement for costs which did not require the Council to spend cash. Section 5311 funds are used as operating transfers to help pay for costs incurred in providing transportation services under the Council's Title IIIB and Local Transportation programs.

EFSP Fund

The EFSP Fund is used to account for the administration of the Emergency Food and Shelter National Board Program which purpose is to supplement food and shelter assistance to individuals who might currently be receiving assistance, as well as to assist those who are not receiving any. Funds are provided by the Federal Emergency Management Agency (FEMA) through the United Way of America which in turn "passes through" the funds to the Council.

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: - (continued)

◆ Special Revenue Funds - (continued)

EFSP - (continued)

During the year the Council used the EFSP funds to provide 10,400 additional home-delivered meals. Funds were also used to purchase food which was used to make 700 boxes of food that were distributed to needy families and the local food bank.

Title III B Fund

The Title III B Fund is used to account for funds which are used to provide various supportive social services to the elderly. Specific supportive services, along with the number of units provided during the fiscal year, are as follows:

◆ Information and Assistance	580 units
◆ Case Management	388 units
◆ Outreach	251 units
◆ Homemaker	1,967 units
◆ Recreation	29,286 units
◆ Transportation for people age 60 or older	27,117 units
◆ Assisted Transportation	918 units
◆ Legal	185 units
◆ Home Repair	10 units
◆ Material Aid	3,227 units

Revenues generated by performing Medicaid enrollment services using Title III B grant funds have been reported within the Title III B Fund as program service fees. This revenue has been used to offset the costs associated with generating the revenues.



Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting:

♦ Special Revenue Funds - (continued)

Title III C Area Agency Administration Fund

The Title III C Area Agency Administration Fund is used to account for some of the costs of administering the Special Programs for the Aging. These funds are allocated to help pay for the administrative costs associated with operating the Title III and Senior Center programs.

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly at meal sites located in Denham Springs, Maurepas, Springfield, and French Settlement. During the year the Council served 33,299 meals to people eligible to participate in this program. In addition to the meals serviced, the Council also provided 34 units of nutritional education to eligible participants.

Title III C-2 Fund

Title III C-2 Fund is used to account for funds which are used to provide nutritional meals to home-bound older persons. Using Title III C-2 funds the Council served 26,319 meals(not including the 10,400 meals paid for with FEMA funds) during the year to people eligible to participate in this program.

Title III D Fund

The Title III D Fund is used to account for funds which are used to provide in-home services to the frail and elderly person who is home-bound, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims. During the year, the Council used its Title III D funds to provide Medic Alert units to an average of 7 eligible participants per month.

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting:

♦ Special Revenue Funds - (continued)

Title III F Fund

The Title III F Fund is used to account for funds used for disease prevention and health promotion activities. During the year 5,271 units of wellness service were provided to eligible participants in this program.

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program provides a community service center at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The senior center for Livingston Parish is located in Denham Springs. During fiscal year 2000, the Senior Center Fund received the grant revenue but transferred all of it to the Title III B Fund to subsidize that program's cost of providing supportive services to participants at the senior center.

U.S.D.A. Fund

The U.S.D.A. Fund is used to account for the administration of Nutrition Program for Elderly funds provided by the United State Department of Agriculture through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program reimburses the service provider on a per unit basis (about 55 cents/meal) for each congregate and home-delivered meal served to an eligible participant so that United States food and commodities may be purchased to supplement these nutrition programs.

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting:

♦ Special Revenue Funds - (continued)

Utility Assistance Fund

This fund is used to account for the administration of utility assistance programs which are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging to provide assistance to the elderly for the payment of utility bills. The Council receives its Project Care donations directly from Entergy Corporation. L P & L Helping Hands donations are provided through the Louisiana Association of Councils on Aging, Inc.(LACOA). During the year, the Council was able to provide 57 units of service with these funds.

Audit Fund

The Audit Fund is used to account for funds received from the Governor's Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements.

Supplemental Senior Center Fund

The Louisiana Legislature appropriated additional money for various councils on aging throughout the state to be used to supplement the primary grant for senior centers. The Livingston Council on Aging was one of the parish councils to receive a supplemental grant of \$4,500. The money received by this fund during the year was transferred to the Title III B Fund to supplement the supportive services provided by this fund. The Governor's Office of Elderly Affairs provided these funds to the Council.

Note 1 - Summary of Significant Accounting Policies - (continued)

e. Account Group:

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The following account group is not a "fund".

General Fixed Assets

The fixed assets used in governmental fund type operations of the Council are accounted for (capitalized) in the General Fixed Assets Account Group and are recorded as capital outlay expenditures in the government fund types when purchased.

f. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds, including the General and Special Revenue Funds, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets.

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.



Note 1 - Summary of Significant Accounting Policies - (continued)

g. Transfers and Interfund Loans:

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables or payables.

h. Budget Policy:

The Council follows these procedures in establishing the budgetary data which has been presented in Exhibits C and D of these financial statements.

- ◆ The Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for its programs.
- ◆ The Livingston Parish Council (LPC) also provides funds to the Council via the Section 5311 program administered by the Louisiana Department of Transportation and Development (DOTD). Accordingly, the Council obtains information from DOTD regarding projected funding under the Section 5311 program.
- ◆ Revenue projections are also made based on grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- ◆ Once information regarding projected revenues has been obtained, the Council's executive director prepares a proposed budget based on these projections, and then submits the budget to the Board of Directors for approval.
- ◆ The Board of Directors reviews and adopts the budget before May 31 of the current year for the next fiscal year.

Note 1 - Summary of Significant Accounting Policies - (continued)

h. Budget Policy: - (continued)

- ◆ The adopted budget is forwarded to GOEA for final compliance approval for the funds it will provide to the Council.
- ◆ Most budgetary appropriations, particularly those involving funds received from GOEA, lapse at the end of each fiscal year (June 30). Occasionally, the Council will receive a special project grant which may operate on a period different from the Council's normal fiscal year, and therefore, have a specified date when the budgetary appropriations will lapse.
- ◆ The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- ◆ Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. The Council attempted to amend its budget once during the year but GOEA did not approve it. As a result, the budget presented in these financial statements is the original one. Budget amendments are approved by the Council's Board of Directors and by GOEA using a similar procedure as the approval of the original budget.
- ◆ Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- ◆ The Council may transfer funds between line items as often as required but must obtain compliance approval from the Governor's Office of Elderly Affairs(GOEA) for funds received under grants from this agency. As part of its grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular line item exceed the budgeted amount by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures.
- ◆ Expenditures cannot legally exceed appropriations on an individual fund level.

Note 1 - Summary of Significant Accounting Policies - (continued)

h. Budget Policy: - (continued)

- ♦ The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities may not be budgeted, particularly if they are deemed to be immaterial by management.

i. Cash:

Cash is reported at carrying amount which equals its fair value.

j. Investments:

Investments are reported at fair value. Investments which include securities traded on a national or international exchange are valued based on their last reported sales price. Investments that do not have an established market are reported at estimated fair value.

k. Prepaid Expenditures:

The Council has elected not to include amounts paid for future services until those services are consumed to comply with the cost reimbursement terms of grant agreements. The fund balances in the governmental fund types have been reserved for the prepaid expenditures recorded in these funds to reflect the amount of fund balance not currently available for expenditure.

l. Fixed Assets:

Assets which cost at least \$250 and which have an estimated useful life of at least 1 year are capitalized as fixed assets. All fixed assets are stated at historical cost or estimated historical cost, if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets.

Note 1 -- Summary of Significant Accounting Policies - (continued)

m. Reservation and Designations of Fund Balances:

The Council "reserves" portions of its fund balance that are not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets which make them only available to meet future obligations.

Designated allocations of fund balances result when the Council's management intends to expend certain resources in a designated manner. Designations of fund balances can be changed at the discretion of the Council's Board of Directors. There were no designated funds at June 30, 2000.

n. Compensated Absences:

The Council's annual and sick leave policy does not provide the accumulation and vesting of leave. In other words, an employee must "use or lose" any earned leave during the fiscal year. As a result, the Council has not accrued any unpaid liability relating to unused leave in the financial statements.

o. Comparative Data:

Comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Council's financial position and operations. However, presentation of comparative data by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Total columns on the combined statements - are captioned "memorandum only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.



Note 1 - Summary of Significant Accounting Policies - (continued)

p. Related Party Transactions:

There were not any related party transactions during the fiscal year.

q. Management's Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Note 2 - Revenue Recognition - Intergovernmental Grants, Program Service Fees, Public Support, Interest Income and Miscellaneous Revenues

Intergovernmental grant revenues, program service fees, and interest income are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis). The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

Note 3 - Cash

The Council maintains a consolidated bank account to deposit most of the monies it collects and to pay its bills. The consolidated bank account is available for use by all funds. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds. In addition to the consolidated bank account the Council has a separate bank account to deposit and disburse FEMA funds and the Council had a non-interest bearing cash balance with a brokerage firm (Merrill Lynch) for the purpose of purchasing securities.

Note 3 - Cash - (continued)

At June 30, 2000, the carrying amount of the Council's cash balances on the books, including \$500 of petty cash, were \$52,561 whereas the related bank and brokerage firm balances were \$92,325. The difference in the book, bank, and brokerage firm balances for cash relates primarily to deposits made and checks written which did not clear the bank accounts by June 30, 2000. All bank balances (\$83,856) were covered by federal depository insurance whereas \$8,789 of the cash on deposit at Merrill Lynch was covered by the Securities Investors Protection Corporation (SIPC). Accordingly, all bank and brokerage firm balances are classified as a "Category 1" credit risk in accordance with GASB Statement 3. Under state law, all bank deposits must be secured by federal deposit insurance, by the pledge of securities owned by the fiscal agent bank, or must be invested exclusively in instruments backed by the government of the United States of America.

Note 4 - Investments

At June 30, 2000, investments consisted of the following:

<u>Investments</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Interest Rate</u>	<u>Maturity</u>
Federal National Mortgage(FNMA)	\$18,504	\$16,342	6.24%	2009
Govt. National Mortgage (GNMA)	21,311	23,818	7.15%	2024
Certificates of Deposit:				
U.S. Bank Minneapolis	6,000	5,965	6.09%	08/27/02
Mid First Bank	13,000	13,007	5.51%	04/16/01
American Bank	<u>24,000</u>	<u>22,908</u>	5.10%	02/03/04
Total investments	\$82,815	\$82,040		
	=====	=====		

All investments are held by Merrill Lynch in the Council's name.

State statutes authorize the Council to invest temporarily idle monies in the following:

1. United States Treasury Bonds,
2. United States Treasury Notes,
3. United States Treasury Bills,

Note 4 - Investments - (continued)

4. Obligations of U.S. Government Agencies, including such instruments as Federal Home Loan Bank bonds, Government National Mortgage Association bonds, or a variety of "Federal Farm Credit" bonds,
5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana,
6. Fully collateralized repurchase agreements,
7. Fully collateralized interest-bearing checking accounts,
8. Mutual or Trust Fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies,
9. Any other investment allowed by state statute for local governments, and
10. Louisiana Asset Management Pool (LAMP).

The cumulative net unrealized gain on the Council's investments as of June 30, 2000, was \$775. Changes in the fair value of the Council's investments from year end to year end are recognized as revenue in the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund Types under the caption "investment income".

The Council's primary purpose for investing is to earn interest income on money that has been determined to be in excess of immediate cash needs. All of the Council's investments are classified as a "Category 1" type credit risk in accordance with GASB Statement 3.

Note 5 - Government Grants and Contracts Receivable

Government grants and contracts receivable represent amounts owed to the Council under a grant award or contract with a provider of federal, state, or local funds; such amounts being measurable and available as of year end.

Government grants and contracts receivable at June 30, 2000, consist of reimbursements for expenses incurred under the following programs:

<u>Program</u>	<u>Provider</u>	<u>Fund</u>	<u>Total</u>
U.S.D.A.	GOEA	Special Revenue	\$ 6,761
Section 5311	LPC	Special Revenue	18,453
Title III B	DHH	Special Revenue	196
Transportation	OFS	General Fund	<u>2,420</u>
Total government grants and contracts receivable			\$27,830 =====

Note 6 - Prepaid Expenditures and Vehicle Purchase Deposits

At year end, prepaid expenditures consisted of prepaid rent on the Council's facilities at Denham Springs in the amount of \$108,117. See footnote 12 for additional discussion about the rental of this facility.

The Council has also deposited \$29,318 as its share of matching funds towards the purchase of four vans under FTA contracts. The vans are expected to be delivered in the next fiscal year.

Note 7 - Advances From Funding Agencies

This account represents funds received but which cannot be recognized as income under the terms of the grant award because allowable expenditures have not been incurred which permit the Council to record these funds as revenue. At year end, the advances were as follows:

<u>Program</u>	<u>Provider</u>	<u>Fund</u>	<u>Amount</u>
Title IIID	GOEA	Special Revenue	\$ 362
Title IIIF	GOEA	Special Revenue	264
EFSP	United Way	Special Revenue	<u>11,569</u>
Total advances from funding agencies			\$ 12,195 =====



Note 7 - Advances From Funding Agencies - (continued)

Expenditures relating to the deferred EFSP revenue will be incurred in fiscal year 2001. However, the Title III D and Title IIIF revenue was unearned for this fiscal year because insufficient expenditures were incurred for these programs and the money will be returned to GOEA.

Note 8 - Changes in Fixed Assets

A summary of changes in general fixed assets is as follows:

<u>Asset Category</u>	<u>Balances</u>			<u>Balances</u>
	<u>07-01-99</u>	<u>Additions</u>	<u>Deletions</u>	<u>06-30-00</u>
Vehicles	\$202,679	\$ 17,494	\$(10,223)	\$209,950
Furniture & equipment	40,561	0	(10,825)	29,736
Computer equipment	8,344	1,649	(5,597)	4,396
Nutrition equipment	3,707	0	0	3,707
Leasehold improvements	9,736	3,936	0	13,672
Health equipment	<u>1,818</u>	<u>0</u>	<u>(1,818)</u>	<u>0</u>
Totals	\$266,845	\$ 23,079	\$(28,463)	\$261,461
	=====	=====	=====	=====

Note 9 - Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed in accordance with the State of Louisiana's travel reimbursement policy when attending out-of-town meetings on behalf of the Council.

Note 10 - In-Kind Contributions

The Council received \$35,992 in various in-kind contributions during the year which have been valued at their estimated fair market value, and presented in this report as revenue. Related charges, equal to the in-kind revenues, have also been presented, thereby producing no effect on net income in the governmental fund types.

The primary in-kind contributions consisted of free rent and utilities for the Maurepas, Springfield, and French Settlement meal sites. The utilities, insurance, and garbage pickup for the Denham Springs administrative office and senior center were also furnished free.

Note 10 - In-Kind Contributions - (continued)

A summary of the in-kind contributions and their respective assigned values is as follows:

Facility rental	\$13,200
Utilities for facilities	18,996
Telephone	1,200
Garbage pickup	1,020
Insurance	732
Maintenance and repairs	<u>844</u>
Total in-kind contributions	\$35,992 =====

Note 11 - Income Tax Status

The Council, a non-profit corporation, is exempt from federal income taxation under Section 501 (c)(3) of the Internal Revenue Code, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax.

The Council does not file a Form 990 because it has been determined to be an "affiliate of a governmental unit" within the meaning of Section 4 of Revenue Procedure 95-48, 1995-2 C.B. 418.

Note 12 - Lease and Rental Commitments

The Council has no capital leases but on February 1, 1993, it entered into an operating lease with the City of Denham Springs, Louisiana, to lease the building that the Council currently occupies at 949 Government Street, Denham Springs, Louisiana. Also included in this lease is the use of an addition (the Senior Center) that is adjacent to that building. Terms of the lease required the Council to prepay the rent in a lump-sum for the entire lease term of 600 months (February 1, 1992 to January 31, 2042); such prepayment being \$130,000. As a result, the Council will amortize this prepaid rent at \$216.67 per month over the term of this lease (\$2,600 annually). The unamortized balance as of year end, was \$108,117.

Note 12 - Lease and Rental Commitments - (continued)

Other significant terms of the lease require the Council to (1) maintain at least \$500,000 of liability insurance, (2) pay all the contents insurance of the buildings, and (3) be responsible for the costs of interior maintenance. The City of Denham Springs is responsible for all costs relating to utilities, building fire and flood insurance, and major repairs to the external structure, heating and cooling system, and plumbing.

Amortization of the prepaid lease, included under the "operating services" category on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the year ended June 30, 2000, was \$2,600. The Council also leases a copy machine and rent expenditures of \$1,452 have been included under the "other costs" category on the same financial statement.

On January 1, 1996, the Council entered into a lease with the Young at Heart Club to use the Young at Heart Club's facility in Springfield. The lease term commences January 1, 1996 and ends January 1, 2021. The Council is responsible for maintaining a congregate meal and service delivery site within the premises during the term of the lease. The Council is required to pay for any insurance premiums relating to general liability and facility contents, while the Young at Heart Club has agreed to pay for utilities, garbage pickup, building insurance, and building maintenance and repairs. The Council is not required to pay any monthly rent and, if the Council's government funding is not provided in the future, the Council may terminate the lease.

Note 13 - FTA - Public Transportation For Nonurbanized Areas - Section 5311

The Council earned and received \$110,627 under the "Section 5311" program during this fiscal year. Total rural transportation costs incurred by the Council were \$238,045. These costs were funded as follows:

Section 5311	\$110,627
In-kind contributions	18,912
Title III B grant funds	40,174
Client contributions	804
Public fares	1,340
Transportation program fees from OFS	27,720
State funding:	
PCOA	15,815
State transportation	10,833
Senior Center funds	4,500
Local funds	<u>7,320</u>
Total	<u>\$238,045</u> =====

Note 14 - Judgments, Claims, and Similar Contingencies

There is no litigation pending against the Council as of June 30, 2000. The Council's management believes that any potential lawsuits would be adequately covered by insurance.

Note 15 - Federal Award Programs

The Council participates in a number of federal award programs. These programs are audited on accordance with *Government Auditing Standards* and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the Council's management believes that further examinations would not result in any significant disallowed costs to such an extent that they would materially affect the Council's financial position. Any costs that would be disallowed would be recognized in the period agreed upon by the agency and the Council.



Note 16 - Economic Dependency

The Council receives the majority of its revenue through grants administered by the Louisiana Governor's Office of Elderly Affairs and the Louisiana Department of Transportation and Development (DOTD). The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

Note 17 - Interfund Loans

Because the Council operates most of its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans. A summary of these interfund loans at year end, is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$18,649	\$ -
Special Revenue Funds:		
Section 5311	-	18,453
Title IIIB	<u>-</u>	<u>196</u>
Total	<u>\$18,649</u> =====	<u>\$ 18,649</u> =====

Note 18 - Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the fiscal year that exceeded the Council's insurance coverage.

Note 19 - Purchase Commitments

The Council has committed to pay for 20% of the purchase price of four vans that the Livingston Parish Council has contracted with the Louisiana Department of Transportation and Development (DOTD) to buy. The Council has already remitted the required matching funds (\$29,318) for the vans as of June 30, 2000. The vans are expected to be delivered in fiscal year 2001. When the vans are delivered, the Council will be allowed to use them even though the vans will be titled in the name of the Livingston Parish Council.

Note 20 - Interfund Transfers

Operating transfers in and out are listed by fund for 2000 as follows:

	<u>Funds Transferred To</u>					<u>Total</u>
	<u>Title III B</u>	<u>Title III C-1</u>	<u>Title III C-2</u>	<u>EFSP</u>	<u>Local Transportation</u>	
<u>Transfer From</u>						
General Fund:						
Local	\$ 6,063	\$ -	\$ -	\$ 1	\$ -	\$ 6,064
PCOA	<u>19,417</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,417</u>
Total General Fund	<u>25,480</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>25,481</u>
Special Revenue Funds:						
Section 5311	108,253	-	-	-	2,374	110,627
EFSP	-	-	733	-	-	733
Senior Center	38,848	-	-	-	-	38,848
Supp. Senior Center	4,500	-	-	-	-	4,500
USDA	<u>-</u>	<u>4,420</u>	<u>20,659</u>	<u>-</u>	<u>-</u>	<u>25,079</u>
Total Special Revenue Funds	<u>151,601</u>	<u>4,420</u>	<u>21,392</u>	<u>-</u>	<u>2,374</u>	<u>179,787</u>
Total all funds	\$177,081	\$ 4,420	\$ 21,392	\$ 1	\$ 2,374	\$205,268
	=====	=====	=====	=====	=====	=====

## **SUPPLEMENTARY FINANCIAL INFORMATION**

**SCHEDULE OF PROGRAM REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GENERAL FUND**

**Livingston Council on Aging  
Denham Springs, Louisiana**

**For the year ended June 30, 2000**

	Programs of the General Fund			
	Local	PCOA	Transportation	Total
<b>REVENUES</b>				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 0	\$ 21,779	\$ 0	\$ 21,779
Public Support:				
Young at Heart Club - unrestricted	5,200	0	0	5,200
Contributions - unrestricted	22	0	15	37
Contributions - restricted for fans	270	0	0	270
Program Service Fees:				
Office of Family Support	0	0	27,720	27,720
Public Fares	0	0	1,340	1,340
Investment Income	5,337	0	0	5,337
Miscellaneous	230	0	0	230
In-kind Contributions	0	0	1,326	1,326
Total revenues	11,059	21,779	30,401	63,239
<b>EXPENDITURES</b>				
Current:				
Personnel	0	0	18,743	18,743
Fringe	0	0	2,263	2,263
Travel	0	0	199	199
Operating Services	2,600	0	5,843	8,443
Operating Supplies	0	0	2,644	2,644
Other Costs	1,000	2,362	1,757	5,119
Capital Outlays	23,079	0	0	23,079
In-kind	0	0	1,326	1,326
Total expenditures	26,679	2,362	32,775	61,816
Excess of revenues over(under) expenditures	(15,620)	19,417	(2,374)	1,423
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	0	0	2,374	2,374
Operating transfers out	(6,064)	(19,417)	0	(25,481)
Excess of revenues and other sources over(under) expenditures and other uses	(21,684)	0	0	(21,684)
<b>FUND BALANCE</b>				
Beginning of year	293,543	0	0	293,543
End of year	\$ 271,859	\$ 0	\$ 0	\$ 271,859



**COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS**

Livingston Council on Aging  
Denham Springs, Louisiana  
For the year ended June 30, 2000

Section	EFSP	Title III B	Title III C AAA	Title III C-1	Title III C-2	Title III D	Title III F	Senior Center	Utility Assistance	Audit	Supp. Sr. Center	U.S.D.A.	Totals
<b>REVENUES</b>													
Intergovernmental:													
Governor's Office of Elderly Affairs	\$ 0	\$ 0	\$ 20,927	\$ 110,053	\$ 58,151	\$ 1,967	\$ 3,440	\$ 38,848	\$ 0	\$ 2,108	\$ 4,500	\$ 38,074	\$ 352,265
United Way of America	0	0	0	0	0	0	0	0	0	0	0	0	39,385
Livingston Parish Council	110,627	0	0	0	0	0	0	0	0	0	0	0	110,627
Public Support (Restricted):													
Public donations	0	0	0	379	1,158	0	0	0	0	0	0	0	1,537
Energy Project Care	0	0	0	0	0	0	0	0	3,285	0	0	0	3,285
L P & L Helping Hands (via LACOA)	0	0	0	0	0	0	0	0	1,401	0	0	0	1,401
Client contributions	0	804	0	16,903	3,788	0	0	0	0	0	0	0	21,195
Program Service Fees:													
Medic alert unit rentals	0	2,952	0	0	0	0	0	0	0	0	0	0	2,952
Medical waiver fees	0	1,006	0	0	0	0	0	0	0	0	0	0	1,006
Investment income	0	147	0	0	0	0	0	0	0	0	0	0	147
In-kind Contributions	0	10,404	0	21,488	2,594	31	149	0	0	0	0	0	34,666
<b>Total revenues</b>	<b>110,627</b>	<b>39,532</b>	<b>20,927</b>	<b>148,523</b>	<b>65,701</b>	<b>1,998</b>	<b>3,589</b>	<b>38,848</b>	<b>4,696</b>	<b>2,108</b>	<b>4,500</b>	<b>38,074</b>	<b>568,486</b>
<b>EXPENDITURES</b>													
Current:													
Personnel	0	145,484	12,707	47,357	9,389	580	2,832	0	0	0	0	0	218,349
Fringe	0	16,510	1,600	5,320	1,082	72	357	0	0	0	0	0	24,951
Travel	0	1,564	196	636	360	5	22	0	0	0	0	0	2,783
Operating Services	0	52,315	3,483	2,451	5,115	23	114	0	0	0	0	0	63,511
Operating Supplies	0	17,384	981	2,368	916	6	32	0	0	0	0	0	21,687
Other Costs	0	19,593	1,960	2,171	751	1,281	83	0	0	2,108	0	0	27,947
Full Service Contracts	0	3,200	0	0	0	0	0	0	0	0	0	0	3,200
Meals	0	38,790	0	71,152	66,876	0	0	0	0	0	0	0	176,818
Utility Assistance	0	0	0	0	0	0	0	0	3,978	0	0	0	3,978
In-kind	0	10,404	0	21,488	2,594	31	149	0	0	0	0	0	34,666
<b>Total expenditures</b>	<b>0</b>	<b>266,454</b>	<b>20,927</b>	<b>152,943</b>	<b>87,093</b>	<b>1,998</b>	<b>3,589</b>	<b>0</b>	<b>3,978</b>	<b>2,108</b>	<b>0</b>	<b>0</b>	<b>577,890</b>
<b>Excess of revenues over (under) expenditures</b>	<b>110,627</b>	<b>732</b>	<b>0</b>	<b>(4,420)</b>	<b>(21,392)</b>	<b>0</b>	<b>0</b>	<b>38,848</b>	<b>708</b>	<b>0</b>	<b>4,500</b>	<b>38,074</b>	<b>(9,404)</b>
<b>OTHER FINANCING SOURCES (USES)</b>													
Operating transfers in	0	177,081	0	4,420	21,392	0	0	0	0	0	0	0	202,894
Operating transfers out	(110,627)	(732)	0	0	0	0	0	(38,848)	0	0	(4,500)	(25,079)	(179,787)
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>708</b>	<b>0</b>	<b>0</b>	<b>12,995</b>	<b>13,703</b>
<b>FUND BALANCE</b>													
Beginning of year	0	0	0	0	0	0	0	0	2,010	0	0	0	2,010
End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,718	\$ 0	\$ 0	\$ 12,995	\$ 15,713

**SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VERSUS ACTUAL  
CONTRACTS AND GRANTS PROVIDED THROUGH THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS**

**Livingston Council on Aging  
Denham Springs, Louisiana**

**For the year ended June 30, 2000**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>PCOA</u></b>			
Other Costs - audit fee	\$ 0	\$ 2,362	\$ (2,362) **
Transfers to Title III B	21,779	19,417	2,362
<b>Totals</b>	<b>\$ 21,779</b>	<b>\$ 21,779</b>	<b>\$ 0</b>
 <b><u>TITLE III B</u></b>			
Personnel	\$ 139,601	\$ 145,484	\$ (5,883)
Fringe	17,516	16,510	1,006
Travel	385	1,564	(1,179) *
Operating Services	55,671	52,315	3,356
Operating Supplies	17,559	17,384	175
Other Costs	8,918	19,593	(10,675) *
Full Service Contracts	3,200	3,200	0
<b>Totals</b>	<b>\$ 242,850</b>	<b>\$ 256,050</b>	<b>\$ (13,200)</b>
 <b><u>TITLE III C - Area Agency Administration</u></b>			
Personnel	\$ 12,711	\$ 12,707	\$ 4
Fringe	1,594	1,600	(6)
Travel	196	196	0
Operating Services	3,484	3,483	1
Operating Supplies	982	981	1
Other Costs	1,960	1,960	0
<b>Totals</b>	<b>\$ 20,927</b>	<b>\$ 20,927</b>	<b>\$ 0</b>

\* The unfavorable variance for this line item is greater than 10% of the budgeted amount. Transfers of discretionary funds were made from the General Fund to cover the budget violations.

\*\* The unfavorable variance for this line item is greater than 10% of the budgeted amount. However, the variance arises not from overpayment but the manner in which the audit costs were budgeted and later recorded when paid, essentially a classification error.

(Schedule 3 continued on next page)

**SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VERSUS ACTUAL  
CONTRACTS AND GRANTS PROVIDED THROUGH THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS**

**Livingston Council on Aging  
Denham Springs, Louisiana**

**For the year ended June 30, 2000**

	Budget	Actual	Variance- Favorable (Unfavorable)
<b><u>TITLE III C-1</u></b>			
Personnel	\$ 54,702	\$ 47,357	\$ 7,345
Fringe	6,864	5,320	1,544
Travel	234	636	(402) **
Operating Services	4,150	2,451	1,699
Operating Supplies	1,418	2,368	(950) **
Other Costs	2,334	2,171	163
Full Service Contracts	0	0	0
Meals:			
Raw food	36,001	33,014	2,987
Labor and non-edibles	41,588	38,138	3,450
<b>Totals</b>	<b><u>\$ 147,291</u></b>	<b><u>\$ 131,455</u></b>	<b><u>\$ 15,836</u></b>
 <b><u>TITLE III C-2</u></b>			
Personnel	\$ 21,176	\$ 9,389	\$ 11,787
Fringe	2,658	1,092	1,566
Travel	148	360	(212) **
Operating Services	7,287	5,115	2,172
Operating Supplies	1,052	916	136
Other Costs	1,473	751	722
Full Service Contracts	0	0	0
Meals:			
Raw food	27,440	31,030	(3,590) **
Labor and non-edibles	31,698	35,846	(4,148) **
<b>Totals</b>	<b><u>\$ 92,932</u></b>	<b><u>\$ 84,499</u></b>	<b><u>\$ 8,433</u></b>
 <b><u>TITLE III D</u></b>			
Personnel	\$ 513	\$ 580	\$ (67) **
Fringe	64	72	(8) **
Travel	5	5	0
Operating Services	82	23	59
Operating Supplies	22	6	16
Other Costs	2,158	1,281	877
Full Service Contracts	0	0	0
<b>Totals</b>	<b><u>\$ 2,844</u></b>	<b><u>\$ 1,967</u></b>	<b><u>\$ 877</u></b>

\*\* The unfavorable variance for this line item is greater than 10% of the budgeted amount.

(Schedule 3 continued on next page)

**SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VERSUS ACTUAL  
CONTRACTS AND GRANTS PROVIDED THROUGH THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS**

**Livingston Council on Aging  
Denham Springs, Louisiana**

**For the year ended June 30, 2000**

	Budget	Actual	Variance- Favorable (Unfavorable)
<b><u>TITLE III F</u></b>			
Personnel	\$ 3,035	\$ 2,832	\$ 203
Fringe	382	357	25
Travel	6	22	(16) **
Operating Services	202	114	88
Operating Supplies	28	32	(4) **
Other Costs	58	83	(25) **
Totals	<u>\$ 3,711</u>	<u>\$ 3,440</u>	<u>\$ 271</u>
<b><u>SENIOR CENTER</u></b>			
Transfers to Title III B	\$ 38,848	\$ 38,848	\$ 0
Totals	<u>\$ 38,848</u>	<u>\$ 38,848</u>	<u>\$ 0</u>
<b><u>AUDIT</u></b>			
Operating Services	\$ 2,108	\$ 0	\$ 2,108
Other Costs	0	2,108	(2,108) *
Totals	<u>\$ 2,108</u>	<u>\$ 2,108</u>	<u>\$ 0</u>
<b><u>SUPPLEMENTAL SENIOR CENTER</u></b>			
Transfers to Title III B	\$ 4,500	\$ 4,500	\$ 0
Totals	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ 0</u>
<b><u>USDA</u></b>			
Transfers to:			
Title III C-1	\$ 3,252	\$ 4,420	\$ (1,168)
Title III C-2	28,208	20,659	7,549
Totals	<u>\$ 31,460</u>	<u>\$ 25,079</u>	<u>\$ 6,381</u>

\* The unfavorable variance results from a clerical error in recording audit costs and not from overspending.

\*\* The unfavorable variance for this line item is greater than 10% of the budgeted amount.



**SCHEDULE OF PRIORITY SERVICES  
TITLE III, PART B - CONTRACT FOR SUPPORTIVE SERVICES**

**Livingston Council on Aging  
Denham Springs, Louisiana**

**For the year ended June 30, 2000**

			<u>Percent of GOEA Grant</u>
<b>Access (30%):</b>			
Assisted Transportation	\$ 10,659		
Case Management	10,528		
Transportation	180,070		
Information & assistance	7,530		
Outreach	<u>3,019</u>		
Total access expenses		211,806	334.22%
<b>In-Home (15%):</b>			
Homemaker	9,020		
Home repair	<u>1,277</u>		
Total in-home expenses		10,297	16.25%
<b>Legal (5%):</b>			
Legal Assistance		3,200	5.05%
<b>Non-priority services</b>		<u>30,747</u>	48.52%
<b>Total Title III B - Supportive Services Expenditures</b>		256,050	
Less: Participant contributions		(804)	
Other public support		(3,958)	
Transfers in		<u>(177,081)</u>	
<b>Title III B - Supportive Services Contract</b>		74,207	
Less: Transfers of contract allotments		0	
State homemaker		0	
State transportation		<u>(10,833)</u>	
<b>Original contract award net of state homemaker and transportation funds and transfers of contract allotments</b>		<u>\$ 63,374</u>	

**COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND CHANGES IN  
GENERAL FIXED ASSETS**

**Livingston Council on Aging  
Denham Springs, Louisiana**

**For the year ended June 30, 2000**

	Balance June 30, 1999	Additions	Deletions	Balance June 30, 2000
<b><u>General fixed assets:</u></b>				
Vehicles	\$ 202,679	\$ 17,494	\$ (10,223)	\$ 209,950
Furniture and equipment	40,561	0	(10,825)	29,736
Computer equipment	8,344	1,649	(5,597)	4,396
Nutrition equipment	3,707	0	0	3,707
Leasehold improvements	9,736	3,936	0	13,672
Health equipment	1,818	0	(1,818)	0
 Total general fixed assets	 <u>\$ 266,845</u>	 <u>\$ 23,079</u>	 <u>\$ (28,463)</u>	 <u>\$ 261,461</u>
<b><u>Investment in general fixed assets:</u></b>				
Property acquired with funds from -				
FTA	\$ 91,105	\$ 0	\$ 0	\$ 91,105
Title III B	7,150	0	(1,537)	5,613
Title III C - Administration	2,108	0	(1,152)	956
Title III C-1	12,417	0	(4,291)	8,126
Title III C-2	1,024	0	(836)	188
Title III D	9	0	(4)	5
Title III F	1,855	0	(1,836)	19
Senior Center	9,401	0	(3,453)	5,948
General funds and local donations	138,794	23,079	(12,372)	149,501
PCOA	982	0	(982)	0
Section 5311	2,000	0	(2,000)	0
 Total investment in general fixed assets	 <u>\$ 266,845</u>	 <u>\$ 23,079</u>	 <u>\$ (28,463)</u>	 <u>\$ 261,461</u>

Note: The deletion for the vehicles represents the cost of a vehicle traded-in on a new vehicle purchased during the fiscal year. All other deletions represent assets which have surpassed their estimated useful lives or are no longer used by the Council.

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Livingston Council on Aging  
Denham Springs, Louisiana

For the year ended June 30, 2000

FEDERAL GRANTOR/PASS-THROUGH GRANTORS/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	GRANT YEAR ENDED	PROGRAM OR AWARD AMOUNT	FEDERAL REVENUE RECOGNIZED	FEDERAL EXPENDITURES
<b>Federal Emergency Management Agency</b>					
Passed through the United Way of America:					
Emergency Food & Shelter National Board Program (17-3650-00)	83.523	12/31/99	\$ 36,638	\$ 9,377	\$ 9,377
Emergency Food & Shelter National Board Program (18-3650-00)	83.523	09/30/00	41,577	30,008	30,008
Subtotal CFDA #83.523			78,215	39,385	39,385
Totals for the Federal Emergency Management Agency			78,215	39,385	39,385
<b>U.S. Department of Health and Human Services - Administration on Aging</b>					
Passed through the Governor's Office of Elderly Affairs:					
Special Programs for the Aging :					
Title III, Part B - Supportive Services and Senior Centers	93.044	06/30/00	53,868	53,868	53,868
Title III, Part C - Area Agency Administration	93.045	06/30/00	15,695	15,695	15,695
Title III, Part C-1 - Nutrition Services - Congregate Meals	93.045	06/30/00	53,978	53,978	53,978
Title III, Part C-2 - Nutrition Services - Home-Delivered Meals	93.045	06/30/00	28,281	28,281	28,281
Subtotal CFDA #93.045			97,954	97,954	97,954
Title III, Part D - In-Home Services for Frail Older Individuals	93.046	06/30/00	1,980	1,672	1,672
Title III, Part F - Disease Prevention and Health Promotion	93.043	06/30/00	3,148	2,924	2,924
Totals for U.S. Department of Health and Human Services - Administration on Aging			156,950	156,418	156,418
<b>U.S. Department of Agriculture</b>					
Passed through the Governor's Office of Elderly Affairs:					
Nutrition Program for the Elderly (1)	10.570	06/30/00	45,000	38,074	25,079
Totals for U.S. Department of Agriculture			45,000	38,074	25,079

The accompanying notes are an integral part of this schedule.

## Notes:

(1) There were \$12,995 of funds earned but not spent under the FY 2000 award. These funds will be carried over to FY 2001.

(Schedule 6 Continued on Next Page)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Livingston Council on Aging  
Denham Springs, Louisiana

For the year ended June 30, 2000

FEDERAL GRANTOR/PASS-THROUGH GRANTORS/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	GRANT YEAR ENDED	PROGRAM OR AWARD AMOUNT	FEDERAL REVENUE RECOGNIZED	FEDERAL EXPENDITURES
<b>U.S. Department of Transportation</b>					
Passed through the Louisiana Department of Transportation and Development:					
Passed through the Livingston Parish Council:					
FTA - Public Transportation for Nonurbanized Areas - Section 5311					
(Federal project # LA-18-X017)					
(State project # 741-32-0106)					
	20.509	06/30/00	\$ 131,678	\$ 110,627	\$ 110,627
Totals for U.S. Department of Transportation			131,678	110,627	110,627
Total federal grants			<u>\$ 411,843</u>	<u>\$ 344,504</u>	<u>\$ 331,509</u>

The accompanying notes are an integral part of this schedule.

Note A - Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Livingston Council on Aging and has been prepared using the modified accrual basis of accounting as contemplated under generally accepted accounting principles and which is the same basis of accounting used for presenting the general-purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the general-purpose financial statements.

Note B - The Livingston Council on Aging did not pass-through any of its federal awards to a subrecipient during the fiscal year.

Note C - No federal awards were expended in the form of non-cash assistance during the fiscal year.



## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Livingston Council on Aging  
Denham Springs, Louisiana

For the year ended June 30, 2000

### **A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Livingston Council on Aging.
2. No reportable conditions relating to the audit of the general purpose financial statements are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.
3. No instances of noncompliance material to the general purpose financial statements of the Livingston Council on Aging were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs, noted in item 7 below, for the Livingston Council on Aging expresses an unqualified opinion.
6. No audit findings are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs are as follows:
  - ◆ U.S. Department of Health and Human Services - Administration on Aging:  
Special Programs for the Aging:
    - ◆ Title III, Part B - Grants for Supportive Services and Senior Centers; CFDA #93.044, and
    - ◆ Title III, Part C - Nutrition Services; CFDA #93.045.
  - ◆ U.S. Department of Transportation:
    - ◆ FTA - Public Transportation for Nonurbanized Areas - Section 5311; CFDA #20.509

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
(continued)

8. The threshold for distinguishing Types A and B Programs was \$300,000.

9. The Livingston Council on Aging was determined not be to a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

There were no findings that are required to be reported in this section of the report.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

There were no findings that are required to be reported in this section of the report.

**D. MANAGEMENT LETTER**

The auditor issued a management letter dated September 8, 2000, that discussed immaterial instances of weaknesses in internal control and noncompliance. A copy of that letter follows in this report package.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Livingston Council on Aging  
Denham Springs, Louisiana**

**June 30, 2000**

There were not any findings reported in last year's Schedule of Findings and Questioned Costs. Also, no management letter was issued by the auditor last year. Accordingly, there is nothing to report in this schedule.

# NEIL G. FERRARI

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MEMBER OF THE  
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PHONE (225) 272-1177

## MANAGEMENT LETTER

September 8, 2000

To the Board of Directors  
The Livingston Council on Aging  
Denham Springs, Louisiana

I have audited the general purpose financial statements of the Livingston Council on Aging, Denham Springs, Louisiana, as of and for the year ended June 30, 2000, and have issued my report thereon dated September 8, 2000. I conducted my audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of OMB Circular A-133.

As part of my examination, I have issued my report on the financial statements, dated September 8, 2000, and my report on internal control and compliance with laws, regulations, contracts, and grants, dated September 8, 2000.

In planning and performing my audit of the general purpose financial statements of the Livingston Council on Aging for the year ended June 30, 2000, I considered its internal control in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control. However, I noted certain matters involving the Council's internal control and its operation along with certain instances of noncompliance that I consider important enough to report to you. I do not feel that the instances involving noncompliance or weaknesses in the Council's internal control are individually significant or material to the financial statements, however, they are important for management to evaluate and take corrective action.

My consideration of the Council's internal control would not necessarily disclose all matters in internal control that might be a reportable condition to management and, accordingly, would not necessarily disclose conditions that are also material weaknesses. In addition, my tests of compliance would not necessarily disclose all instances of noncompliance that may have occurred during the year.



The following is a list of the items that I noted during the audit which are deserving of your attention. I will report on the status of management's corrective action in next year's audit report.

INTERNAL CONTROL WEAKNESSES

IC-1                    The Council's Controls Over Client Contributions Are Weak and Need Improvement

Programs  
Affected:

Title III C, Parts 1 and 2

Criteria:

The Council is supposed to make its clients aware of the opportunity to voluntarily contribute to programs from which they receive benefits. In particular, this requirement relates to the Title III C-1 and C-2 programs. Any income received by the Council is supposed to pay for the costs of providing the services. The Council is responsible for designing an appropriate system with adequate controls for program income.

Condition:

The Council needs to improve its current system of collecting, reporting, recording, and depositing client contributions. I had a difficult time tracing the collections to specific entries in the general ledger.

Cause:

Contributions were not timely deposited in accordance with Council policy. In addition, neither the deposit slips nor the books contained sufficient details, in all cases, to enable me to verify that all contributions collected were deposited and recorded. In particular, a receipt was not issued to the person who turned in the client contributions from the Denham Springs meal site in many instances.

Effects:

Approximately \$365 of June collections were not deposited and recorded on the books until July 18, 2000. The process of proving if all money collected was deposited and recorded was tedious and inefficient.

Questioned  
Costs:

None

**Recommendations:** All client contributions should be deposited as soon as possible. I realize money collected at satellite meal sites cannot be deposited daily due to logistics. However, efforts should be made to coordinate at least a weekly deposit of funds collected at those locations in an effort to deposit that money more often. In addition, details should be maintained with the deposit slip to determine the program identity of the contributions and which location they came from. Client contributions should not be commingled with other types of funds that are received when making deposits. When recording contributions in the general ledger, information including specific receipt numbers should be input to provide a trail. Receipts should be issued to each person who brings client contributions to the main office for processing. The director needs to review the contribution accounts in the general ledger each month to ascertain that the procedures are being followed.

#### INSTANCES OF NONCOMPLIANCE

**NC-1** **The Budget Revision For FY2000 Was Not Approved By GOEA**

**Programs  
Affected:**

All programs which receive funding from GOEA, including Title III programs.

**Criteria:**

Councils on aging are encouraged by the Governor's Office of Elderly Affairs (GOEA) to revise budgets as necessary to prevent violations per the contracts between GOEA and the council. Failure to timely amend budgets could result in unallowable costs being charged to a program funded by GOEA.

**Condition:**

In May, the Council amended its budget and submitted the revisions to GOEA for approval. GOEA noted some deficiencies and asked the Council to correct them by a certain deadline. The Council was unable to cure the budget defects and the budget revision was not approved by GOEA.

**Cause:**

The Council has a new bookkeeper who has never had to prepare a budget revision. As a result, errors were made and he did not know how to correct them.

Effects: Failure to make budget revisions and obtain approval from the grantor agency in a timely manner represents a weakness in the Council's internal control and it is an instance of noncompliance with the Council's contracts with GOEA. In addition, to the matter noted for fiscal year 2000, I was informed that the budget for fiscal year 2001 was not approved by GOEA until August 30. This caused the Council to experience a cash flow crunch because GOEA would not release any funds to the Council for expenditures made for GOEA funded programs during July and August until the budget deficiencies were cured.

Questioned Costs: There are no significant questioned costs. I noted instances where actual costs exceeded budget limitations as set forth by GOEA. However, excess costs were "covered" by transfers of local funds or were immaterial amounts.

Recommendations: The Council needs to input its initial budget into the accounting system so that periodic comparisons of budget to actual costs can be made to determine when revisions are necessary. When budgeted costs are projected to be exceeded by amounts that would violate any GOEA contract, a revision should be prepared and approved by the Council's board. Note that the Council's bylaws require that the Finance Committee be responsible for doing this. Accordingly, it seems appropriate for the Council's bookkeeper and director to prepare the proposed amendments for the Finance Committee to review. Once accepted by the Finance Committee, the revised budget should be presented and approved by the Council's Board of Directors in a manner similar to how the original budget was approved. The process should not be delayed. Ample time should be set aside for the process to run through the proper channels in case changes need to be made. I also want to remind you that (1) all programs need to be budgeted and (2) details on non-GOEA programs should be maintained to ascertain sources of funds, transfers, and expenditures. The Council's bookkeeper appears to need training in this area and I encourage management to get help for him in how to prepare the budget.

This report is intended solely for the use of the Council's Board of Directors, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Neil Ferrari, CPA*  
Neil G. Ferrari, CPA



**MANAGEMENT'S CORRECTIVE ACTION PLAN**

Livingston Council on Aging  
Denham Springs, Louisiana

For the Year Ended June 30, 2000

To the following oversight agencies for audit:

Federal: U.S. Department of Health and Human Services -  
Administration on Aging.

State: Legislative Auditor of the State of Louisiana; and  
Governor's Office of Elderly Affairs.

Livingston Council on Aging, Denham Springs, Louisiana,  
respectfully submits the following corrective action plan for the  
year ended June 30, 2000.

Name and address of independent public accounting firm: Neil G.  
Ferrari, CPA, 14481 Old Hammond Highway, Suite 4, Baton Rouge,  
Louisiana, 70816.

Audit period: For the year ended June 30, 2000.

The findings from the June 30, 2000 schedule of findings and  
questioned costs are discussed below. The findings are numbered  
consistently with the numbers assigned in the schedule. Section A  
of the schedule, Summary of Audit Results, does not include  
findings and is not addressed in this corrective action plan.

**SECTION B. FINANCIAL STATEMENT FINDINGS**

There were no findings reported in this section.

**SECTION C. MAJOR FEDERAL AWARD PROGRAM FINDINGS AND QUESTIONED  
COSTS**

There were no findings reported in this section.

**MANAGEMENT'S CORRECTIVE ACTION PLAN - (continued)**

**SECTION D. MANAGEMENT LETTER**

**Internal Control Weaknesses**

**IC-1                    The Council's Controls Over Client Contributions  
Are Weak and Need Improvement**

**Management's  
Response:**

The Council's management desires to maintain the integrity of the collection process relating to client contributions. Management acknowledges and agrees with the auditor's assessment of this matter. Management has taken immediate steps, based on the auditor's recommendations, to remedy the deficiencies that were noted during the audit.

**Instances of Noncompliance**

**NC-1                    The Budget Revision For FY2000 Was Not Approved By  
GOEA**

**Management's  
Response:**

The Council's management is aware of the problems caused by the failure to properly budget and obtain timely approval from GOEA. The bookkeeper will receive help and training on the budget process. The Council's Finance Committee will monitor the budget and take action to prevent this from occurring again.

If you have any questions regarding this plan, please call Mary Alice Core at (225) 664-9343.